



120 LONG RIDGE ROAD, P.O. BOX 1355, STAMFORD, CT 06904-1355



SEMS DocID 630132

LETTER FROM CHIEF FINANCIAL OFFICER

Dr. Stephen W. Hitchcock, Director
Hazardous Materials Management Unit
Department of Environmental Protection
State Office Building
165 Capitol Building
Hartford, CT 06106

Dear Sir:

I am the chief financial officer of Olin Corporation, 120 Long Ridge Road, Stamford, CT 06904. This letter is in support of the use of the financial test to demonstrate financial responsibility for liability coverage and closure and/or post-closure care as specified in Subpart H of 40 CFR Parts 264 and 265.

The firm identified above is the owner or operator of the following facilities for which liability coverage for sudden accidental occurrences is being demonstrated through the financial test specified in Subpart H of 40 CFR Parts 264 and 265:

<u>Name of Facility</u>	<u>Address or Location</u>	<u>EPA Identification Number</u>
Cheshire Research Center	50 Knotter Drive Cheshire, CT 06410	CTD-980916779
New Haven Research Center	P.O. Box 30-275 New Haven, CT 06511	CTD-001451004
* Waterbury Plant	P.O. Box 270 Waterbury, CT 06720	CTD-053704110

The firm identified above guarantees, through the corporate guarantee specified in Subpart H of 40 CFR Parts 264 and 265, liability coverage for sudden accidental occurrences at the following facilities owned or operated by the following subsidiaries of the firm. None.

1. The firm identified above owns or operates the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

	<u>Closure Cost</u>	<u>Post-Closure Cost</u>
E.P.A. I.D. No. CTD 980916779 Cheshire Research Center 50 Knotter Drive Cheshire, CT 06410	\$ 51,105	\$ -
E.P.A. I.D. No. CTD 001451004 New Haven Research Center P.O. Box 30-275 New Haven, CT 06511	67,515	-
E.P.A. I.D. No. CTD 053704110 Waterbury Plant P.O. Box 270 Waterbury, CT 06720	22,515	-

2. The firm identified above guarantees, through the corporate guarantee specified in Subpart H of 40 CFR Parts 264 and 265, the closure or post-closure care of the following facilities owned or operated by its subsidiaries. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

	<u>Closure Cost</u>	<u>Post-Closure Cost</u>
E.P.A. I.D. No. CTD 052544376 TriStar Sports, Inc. Middletown Plant 475 Smith Street Middletown, CT 06457	\$49,120	\$ -

3. In States where DEP is not administering the financial requirements of Subpart H of 40 CFR Parts 264 and 265, this firm is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current closure or post-closure cost estimates covered by such a test are shown for each facility.

	<u>Closure Cost</u>	<u>Post-Closure Cost</u>
E.P.A. I.D. No. GAD 040690737 Augusta Plant P.O. Box 1234 Augusta, GA 30913	\$ 23,015	\$12,355,330
E.P.A. I.D. No. TXD 008097487 Beaumont Plant P.O. Box 30 Beaumont, TX 77704	280,822	-
E.P.A. I.D. No. CAD 009702564 Benicia Plant 992 Taylor Street Benicia, CA 94510	11,540	-
E.P.A. I.D. No. OHD 045214947 Brook Park Plant 6367 Eastland Rd. Brook Park, OH 44142	222,420	-
E.P.A. I.D. No. TND 003337292 Charleston Plant P.O. Box 248 Charleston, TN 37310	682,360	1,124,430
E.P.A. I.D. No. KYD 006396246 Doe Run Plant P.O. Box 547 Brandenburg, KY 40108	349,505	-
E.P.A. I.D. No. ILD 006271696 East Alton Main Plant East Alton, IL 62024	149,340	-
E.P.A. I.D. No. ILD 000802801 Energy Test Range Ordnance Products Drawer G Marion, IL 62959	41,765	-
E.P.A. I.D. No. KSD 000203638 Kansas City Plant (OWS) 3155 Fiberglass Road Kansas City, KS 66115	49,980	-
E.P.A. I.D. No. LAD 008080681 Lake Charles Plant P.O. Box 2896 Lake Charles, LA 70602	115,645	424,560

	<u>Closure Cost</u>	<u>Post-Closure Cost</u>
E.P.A. I.D. No. ALD 008188708 McIntosh Plant P.O. Box 28 McIntosh, AL 36553	\$ 237,070	\$6,237,660
E.P.A. I.D. No. NYD 002123461 Niagara Falls Plant P. O. Box 748 Niagara Falls, NY 14302	633,430	-
E.P.A. I.D. No. IL 8143609487 Ordill Industrial Area Ordinance Products Drawer G Marion, IL 62959	49,595	-
E.P.A. I.D. No. IND 980614051 Signal Products Operation 300 North 500 West Peru, IN 46970	3,200	-
E.P.A. I.D. No. NYD 002220804 Rochester Plant P. O. Box 205 Rochester, NY 14611	946,295	-
E.P.A. I.D. No. FLD 047096524 St. Marks Powder Operation P.O. Box 222 St. Marks, FL 32355	24,780	-
E.P.A. I.D. No. CAD 009552944 Olin Hunt Specialty Products Inc. 4265 Charter Street City of Vernon Los Angeles, CA 90058	21,930	-
E.P.A. I.D. No. OH4210090003 Physics International Company Load Line #6 Ravenna Army Munitions Plant Ravenna, OH 44266	21,885	-
E.P.A. I.D. No. CAD 000626762 Physics International Company Tracy Test Site 3.2 Miles West of I580 on Corral Hollow Road Tracy, CA 95376	16,975	-

4. The firm identified above owns or operates the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to DEP or a State through the financial test or any other financial assurance mechanisms specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility: None.
5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under Part 144. The current closure cost estimates as required by 40 CFR 144.62 are shown for each facility: None.

This firm is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on December 31st. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 1987.

Part B. Closure or Post-closure Care and Liability Coverage

Alternative II

1. Sum of current closure and post-closure cost estimates	\$ 24,213,787
2. Amount of annual aggregate liability coverage to be demonstrated	\$ 2,000,000
3. Sum of lines 1 and 2	\$ 26,213,787
4. Current bond rating of most recent issuance of this firm and name of rating service	Baal Moody's
5. Date of issuance of bond	06/24/87
6. Date of maturity of bond	06/15/97
* 7. Tangible net worth	\$ 582,000,000
* 8. Total assets in U.S.	\$1,479,000,000

	<u>YES</u>	<u>NO</u>
9. Is line 7 at least \$10 million?	X	
10. Is line 7 at least 6 times line 3?	X	
*11. Are at least 90% of the firm's assets located in the U.S.? If not, complete line 12.		X
12. Is line 8 at least 6 times line 3?	X	

I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151 (g) as such regulations were constituted on the date shown immediately below.

Sigurd D Medhus

SDM Sigurd D. Medhus
Senior Vice President and
Senior Financial Officer
LSH

March 15, 1988

SDM/aa

MAR 28 1988



120 LONG RIDGE ROAD, P.O. BOX 1355, STAMFORD, CT 06904-1355

March 18, 1988

Connecticut Reversion Analyst
USEPA
CT/ME Waste Management Branch
JFK Federal Building
Room 1903
Boston, MA 02203

Dear Sir or Madam:

Olin Corporation is demonstrating financial assurance for closure costs and liability requirements for hazardous waste facilities at Cheshire, New Haven, and Waterbury, CT and for closure costs for hazardous waste facilities at TriStar Sports Inc., Middletown, CT by use of the financial test and corporate guarantee based on 1987 fiscal results. Liability requirements at TriStar are covered by insurance.

Enclosed is a copy of Olin's submission to the Director, CT DEP which includes a letter from Olin's chief financial officer, a corporate guarantee, a hazardous waste facility liability endorsement, an Olin 1987 Annual Report with an independent certified public accountant's examination report on page 31 and a special report from Olin's independent certified public accountant.

Please contact me at the above address or by telephone, (203) 356-3037, if you have any questions about this submission.

Very truly yours,

Richard S. Hendey, Jr.
Manager
Regional Environmental Affairs

RSH/rr
Enclosures

1988d

O L I N C O R P O R A T I O N



120 LONG RIDGE ROAD, P.O. BOX 1355, STAMFORD, CT 06904-1355

CORPORATE GUARANTEE FOR CLOSURE OR
POST-CLOSURE CARE

Guarantee made this March 15, 1988 by Olin Corporation, a business corporation organized under the laws of the State of Virginia, herein referred to as guarantor, to the Department of Environmental Protection (DEP), obligee, on behalf of our subsidiary TriStar Sports, Inc. of 475 Smith Street, Middletown, Connecticut, 06457.

Recitals

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in 40 CFR 264.143(f), 264.145(f), 265.143(e), and 265.145(e).
2. TriStar Sports, Inc. owns or operates the following hazardous waste management facility(ies) covered by this guarantee:

	<u>Closure Care Guarantee</u>	<u>Post-Closure Care Guarantee</u>
E.P.A. I.D. No. CTD 052544376	Yes	No
TriStar Sports, Inc.		
Middletown Plant		
475 Smith Street		
Middletown, CT 06457		

3. "Closure plans" and "post-closure plans" as used below refer to the plans maintained as required by Subpart G of 40 CFR Parts 264 and 265 for the closure and post-closure care of facilities as identified above.
4. For value received from TriStar Sports, Inc. guarantor guarantees to DEP that in the event that TriStar Sports, Inc. fails to perform closure of the above facility(ies) in accordance with the closure or post-closure plans and other permit or interim status requirements whenever required to do so, the guarantor shall do so or establish a trust fund as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of TriStar Sports, Inc. in the amount of the current closure or post-closure cost estimates as specified in Subpart H of 40 CFR Parts 264 and 265.

5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial test criteria, guarantor shall send within 90 days, by certified mail, notice to the Commissioner of Environmental Protection and to TriStar Sports, Inc., that he intends to provide alternate financial assurance as specified in Subpart H of 40 CFR Parts 264 and 265, as applicable, in the name of TriStar Sports, Inc. Within 120 days after the end of such fiscal year, the guarantor shall establish such financial assurance unless TriStar Sports, Inc. has done so.
6. The guarantor agrees to notify the Commissioner of Environmental Protection by certified mail, of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.
7. Guarantor agrees that within 30 days after being notified by the Commissioner of Environmental Protection of a determination that guarantor no longer meets the financial test criteria or that he is disallowed from continuing as a guarantor of closure or post-closure care, he shall establish alternate financial assurance as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of TriStar Sports, Inc. unless TriStar Sports, Inc. has done so.
8. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modification of the closure or post-closure plan, amendment or modification of the permit, the extension or reduction of the time of performance of closure or post-closure, or any other modification or alteration of an obligation of the owner or operator pursuant to 40 CFR Parts 264 or 265.
9. Guarantor agrees to remain bound under this guarantee for so long as TriStar Sports, Inc. must comply with the applicable financial assurance requirements of Subpart H of 40 CFR Parts 264 and 265 for the above-listed facilities, except that guarantor may cancel this guarantee by sending notice by certified mail to the Commissioner of Environmental Protection and to TriStar Sports, Inc., such cancellation to become effective no earlier than 120 days after receipt of such notice by both DEP and TriStar Sports, Inc., as evidenced by the return receipts.

10. Guarantor agrees that if TriStar Sports, Inc. fails to provide alternate financial assurance as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, and obtain written approval of such assurance from the Commissioner of Environmental Protection within 90 days after a notice of cancellation by the guarantor is received by the Commissioner of Environmental Protection from guarantor, guarantor shall provide such alternate financial assurance in the name of TriStar Sports, Inc.
11. Guarantor expressly waives notice of acceptance of this guarantee by the DEP or by TriStar Sports, Inc. Guarantor also expressly waives notice of amendments or modifications of the closure and/or post-closure plan and of amendments or modifications of the facility permit(s).

I hereby certify that the wording of this guarantee is identical to the wording specified in 40 CFR 264.151(h) as such regulations were constituted on the date first above written.

Effective Date: March 15, 1988

Olin Corporation

RSW *Sigurd D. Medhus*
Sigurd D. Medhus
Senior Vice President and
Senior Financial Officer
RSW

Signature of witness or notary:

Dora B. Gardening
DORA B. GARDENING
NOTARY PUBLIC
MY COMMISSION EXPIRES 12/31/1992

KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.

Stamford Square
3001 Summer Street
Stamford, CT 06905

March 15, 1988

The Board of Directors
Olin Corporation:

We have examined the consolidated financial statements of Olin Corporation and consolidated subsidiaries (the Company) as of and for the year ended December 31, 1987 and have issued our report thereon dated January 29, 1988. We did not perform audit tests for the purpose of expressing an opinion on the individual amounts such as those enumerated below.

We have applied certain agreed-upon procedures (as discussed below) to certain data listed under Alternative II in your financial responsibility letter to the Director, Hazardous Materials Management Unit, Connecticut Department of Environmental Protection. Our procedures and findings were as follows:

1. We compared and agreed tangible net worth of \$582,000,000 to the amount determined as follows:

Stockholders' equity on the December 31, 1987 consolidated balance sheet included in the Company's 1987 Annual Report to Shareholders	\$ 700,000,000
Less goodwill, patents, trademarks, and noncompetition agreements included in the Company's general ledgers	<u>118,000,000</u>
	<u>\$ 582,000,000</u>

2. We compared total operating assets in the U.S. of \$1,479,000,000 to the amount shown on the December 31, 1987 note to financial statements captioned "Segment Information" on the line "Assets - United States" included in the Company's 1987 Annual Report to Shareholders and found them to be in agreement.

3. We determined that the Corporation's U.S. operating assets of \$1,479,000,000 at December 31, 1987 is less than 90% of the consolidated assets as follows:

Total U.S. operating assets per item 2 above	\$ 1,479,000,000 (A)
Total consolidated assets on the December 31, 1987 balance sheet	1,685,000,000 (B)

$$\frac{(A)}{(B)} = \underline{\underline{87.8\%}}$$

The Board of Directors
Olin Corporation
March 15, 1988
2

Because the above procedures do not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on any of the individual amounts or items referred to above. Based upon the procedures performed, nothing came to our attention which would cause us to believe that the above data requires adjustment. Had we performed additional procedures, matters might have come to our attention that would have been reported to you. The procedures enumerated in this letter were performed solely to assist you in submission of your letter to the Director, Hazardous Materials Management Unit, Connecticut Department of Environmental Protection as discussed in the second paragraph. This letter is not to be used for any other purpose.

East Marwick Mann & Co.

ENDORSEMENT

This endorsement, effective 12:01 A. M. March 1, 1988

forms a part of

policy No. RMCMGLA249-6204 issued to Olin Corporation

by

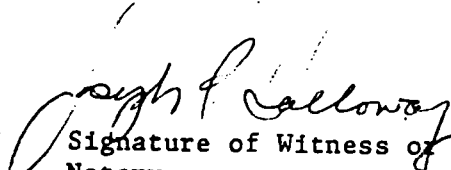
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

notice and only after the expiration of sixty (60) days after a copy of such written notice is received by the Commissioner of Environmental Protection of the Department of Environmental Protection.


- (e) Any other termination of the endorsement will be effective only upon written notice and only after the expiration of thirty (30) days after a copy of such written notice is received by the Commissioner of Environmental Protection of the Department of Environmental Protection.

Attached to and forming part of policy no. RMCMGLA249-6204 issued by National Union Fire Insurance Company of Pittsburgh, Pa., herein called the Insurer, of 70 Pine Street, New York, N.Y. 10270, to Olin Corporation of 120 Long Ridge Road, Stamford, Connecticut 06904, this 1st day of March, 1988. The effective date of said policy is the 1st day of March, 1988.

I hereby certify that the wording of this Endorsement is identical to the wording specified in 40 CFR 264.151 (1), as such regulation was constituted on the date first above written, and the Insurer is licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer, in one or more States.


Signature of Witness or
Notary

March 22, 1988
Date:


Signature of Authorized
Representative of Insurer

Michael F. Madden
Typed Name of Authorized
Representative of Insurer

Underwriter

Address


Signature of Witness or
Notary

March 23, 1988


Authorized Signature
of Insured

John J. Delaney, Jr.
Director, Risk Management
Title

OLIN CORPORATION

ENDORSEMENT

This endorsement, effective

12:01 A. M.

March 1, 1988

forms a part of

policy No. RMCMLA249-6204 issued to

Olin Corporation

by

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

HAZARDOUS WASTE FACILITY LIABILITY ENDORSEMENT

1. This endorsement certifies that the policy to which the endorsement is attached provides liability insurance covering bodily injury and property damage in connection with the insured's obligation to demonstrate financial responsibility under 40 CFR 264.147 or 265.147. The coverage applies at

<u>EPA Identification Number</u>	<u>Name of Facility</u>	<u>Address or Location</u>
CTD 052544376	TriStar Sports, Inc.	Middletown Plant 475 Smith Street Middletown, CT 06457

for "sudden accidental occurrences." The limits of liability are \$1,000,000 "each occurrence" and \$2,000,000 "annual aggregate", exclusive of legal defense costs.

2. The Insurance afforded with respect to such occurrence is subject to all of the terms and conditions of the policy; provided, however, that any provisions of the policy inconsistent with subsections (a) through (e) of this Paragraph 2 are hereby amended to conform with sub-sections (a) through (e):
 - (a) Bankruptcy or insolvency of the insured shall not relieve the Insurer of its obligations under the policy to which this endorsement is attached.
 - (b) The Insurer is liable for the payment of amounts within any deductible applicable to the policy, with a right of reimbursement by the insured for any such payment made by the Insurer. This provision does not apply with respect to that amount of any deductible for which coverage is demonstrated as specified in 40 CFR 264.147 (f) or 265.147 (f).
 - (c) Whenever requested by the Commissioner of Environmental Protection of the Department of Environmental Protection (DEP), the Insurer agrees to furnish to the Commissioner of Environmental Protection a signed duplicate original of the policy and all endorsements.
 - (d) Cancellation of the endorsement, whether by the Insurer or the Insured, will be effective only upon written